

Rush County, Indiana
2007 Pay 2008 Budget Order

An analysis of the data with the 2007 Pay 2008 Budget Order for Rush County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Rush County has four cross-county units, Glenwood Civil Town, which crosses into Fayette County, (the minor county), Three Rivers Solid Waste, which originates in Hancock County, and Charles A. Beard Schools, for which Henry County is the major county.

Rush County also has one cross county conservancy district, the Big Blue River Conservancy District, which originates in Henry County. A Conservancy District is a special taxing district created to provide flood control, irrigation, potable water or wastewater service within a specified area. The cost of providing these services are charged to landowners in the form of a special assessment based on the benefit provided. These special assessments are added to the property tax bill of each landowner and collected along with property taxes. Since the benefit derived may not relate to the assessed value of the property, these assessments are normally expressed in terms of dollars of assessment and not as a tax rate per \$100 of net assessed value. Therefore, the Conservancy District special assessment has not been included in this analysis.

Changes in Local Tax Levies

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2008 on a county-wide basis was approximately \$2.1 million or 10.59%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increases in levy were due to the Rush Southern School Corporation (\$266,566) and Union City Civil City (\$187,972).

Rush County

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
2006 Reassessment	\$193,312	\$249,547	\$56,235	29.09%
Health	162,006	139,203	-22,803	-14.08%
Children's Psychiatric Res Treatment	108,787	160,423	51,636	47.47%

Rush County Welfare

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare - Family and Children	\$470,367	\$859,833	\$389,466	82.80%

Total County levy increased by \$612,670 or 13.94%. Welfare and Children's Psych levied up to meet anticipated needs in 2008.

Rush County School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$5,057,151	\$5,380,552	\$323,401	6.39%
Debt Service	1,385,376	1,507,665	122,289	8.83%
Capital Projects	1,272,572	2,268,053	995,481	78.23%

Total City levy increased \$1,315,167 or 13.92%. Capital projects levied up to the maximum tax rate for 2008.

No units in the County exceeded the working maximum levy. All units in the County levied up to or near their working maximum levy.

No units in the County exceeded the normal statutory growth rate for controlled fund levies.

Changes in Real Property Gross Assessed Values

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	18.46%
Industrial	1.30%
Commercial	4.11%
Residential	-1.38%
Exempt	3.94%
Utility	-17.67%

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

<u>Class</u>	<u>2007 Ratio</u>	<u>2008 Ratio</u>
Agriculture	39.36%	43.50%
Industrial	3.61%	3.41%
Commercial	6.39%	6.21%
Residential	44.26%	40.73%
Exempt	6.23%	6.04%
Utility	0.15%	0.11%

As can be seen from the analysis, a shift from residential, industrial, exempt, utility, and commercial property to agricultural property occurred. This shift was approximately 4.14%.

Change in Net Tax Rates

Changes in net tax rate by district were as follows.

<u>District</u>	<u>Change in NAV</u>	<u>Change in Levy</u>	<u>Change in Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Real Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
ANDERSON TOWNSHIP	9.74%	14.25%	4.11%	8.62%	11.70%	-1.76%
CENTER TOWNSHIP	12.76%	17.44%	4.15%	8.70%	11.74%	-1.64%
JACKSON TOWNSHIP	11.99%	16.33%	3.87%	8.23%	11.40%	-2.36%
NOBLE TOWNSHIP	14.94%	19.77%	4.20%	8.85%	11.96%	-1.45%
ORANGE TOWNSHIP	9.48%	14.23%	4.34%	9.08%	12.16%	-1.16%
POSEY TOWNSHIP	9.45%	13.78%	3.96%	8.31%	11.37%	-1.99%
RICHLAND TOWNSHIP	16.99%	21.79%	4.11%	8.70%	11.83%	-1.67%
RIPLEY TOWNSHIP	0.00%	2.67%	2.67%	12.02%	15.34%	6.30%
CARTHAGE RUSHVILLE TOWNSHIP	0.00%	2.94%	2.94%	9.87%	13.34%	0.71%
RUSHVILLE TOWNSHIP	7.16%	11.75%	4.28%	8.91%	12.03%	-1.52%
RUSHVILLE CITY	2.06%	3.25%	1.17%	2.81%	5.89%	-12.30%
UNION TOWNSHIP	13.21%	18.04%	4.27%	8.94%	12.05%	-1.38%
GLENWOOD CITY	2.08%	5.86%	3.70%	6.34%	9.63%	-8.11%
WALKER TOWNSHIP	10.75%	14.87%	3.72%	8.18%	11.13%	-2.29%
WASHINGTON TOWNSHIP	14.32%	18.62%	3.76%	8.10%	11.21%	-2.36%
RUSHVILLE CITY-JACKSON	73.52%	75.47%	1.12%	2.75%	5.84%	-12.39%
Average	8.45%	10.59%	3.25%	7.42%	10.62%	-3.76%

Downward pressure on tax rates came from increases in Assessed Value due to trending and the increased Homestead Credit rate.

Upward pressure on tax rates came from increases in tax levies.

The estimated reduction in net homestead tax bills for Rush County is 44.68%, not including the effect of the CEDIT Homestead Credit, which isn't included in this analysis.

Assessment Status

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

Percent of Parcels with Identified Assessed Valuation Change

Property Class	<u>Decrease</u>	<u>No Change</u>	<u>0 – 10% Increase</u>	<u>10 – 30% Increase</u>	<u>30 – 100% Increase</u>	<u>More Than Doubled</u>
Commercial	6.3%	22.0%	65.3%	4.6%	1.0%	0.8%
Industrial	9.0%	36.6%	50.0%	2.7%	1.8%	0.0%
Residential	31.4%	15.8%	49.5%	1.9%	0.9%	0.5%
Overall	18.8%	13.4%	37.2%	28.0%	2.0%	0.5%

TIF Neutralization Worksheets

The County has several Tax Increment Areas. A Tax Increment Financing (TIF) Neutralization Worksheet must be completed for each TIF District in order to calculate tax increment generated by real property growth rather than increases in assessed valuation due to reassessment or trending. The TIF Neutralization Worksheets were reviewed for both numerical accuracy and for logical analysis and completeness.